



The Comptroller General
of the United States

Washington, D.C. 20548

Suckerman 1121

Decision

Matter of: Landscape Builders Contractors

File: B-225808.3

Date: May 21, 1987

DIGEST

A low bid for a requirements type contract that is mathematically unbalanced is not materially unbalanced unless it can be shown that the government estimates are so unreliable that award to the low bidder will not result in the lowest cost to the government.

DECISION

Landscape Builders Contractors (LBC) protests the award of a contract for landscape maintenance services to A.J. Fowler-- under solicitation No. DAEA18-87-B-0007 issued by the Department of the Army. LBC alleges that Fowler's bid must be rejected because it is nonresponsive and mathematically and materially unbalanced.

We dismiss the protest pursuant to our Bid Protest Regulations, 4 C.F.R. § 21.3(f) (1986) without obtaining an opening report because it is clear on the face of the protest that it is without merit.

The Army solicited bids for landscape maintenance services at Ft. Huachuca, Arizona on November 24, 1986. According to the protester, the services generally include all landscaping maintenance services at the site, including those necessary to maintain the golf course and all other areas at the location. The solicitation contained some 18 items which represented various categories of work to be performed, such as playgrounds maintenance (item 0001), airfield mowing (item 0006), golf course maintenance (item 0007) and edging (item 0008). Each of the items had complete and detailed specifications for the services to be performed, with some items broken down in the solicitation for pricing purposes by the month in which services are to be performed. For example, Item 0008, golf course maintenance, requested prices for golf course maintenance separately by month, since the required services differed depending on the time of year. Each of the items in the solicitation carried the government's estimate of the services required, with the total estimated price being determined on the basis of the unit prices bid for the

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various items, times the estimated quantities shown in the solicitation.

Fowler bid a level unit price for golf course maintenance (\$3,000 per month according to LBC), instead of pricing each month separately. According to LBC such a pricing scheme is grossly unbalanced, since the work required for the months of March through October is some 800 percent higher on the fairways and 200 percent higher in the roughs than is required in the remaining months. LBC claims that Fowler cannot complete the work in the higher cost months at the price bid. Similarly, LBC complains, Fowler's bid of \$5,135 for each unit of edging is "absurdly high," being overstated by more than \$4,500 for the work required by the specifications. LBC believes the bid should be rejected as non-responsive because it is mathematically and materially unbalanced because it is based on prices that are significantly understated for some work and significantly overstated for other work. LBC has not challenged the government estimates for each item as stated in the solicitation for the base year or for the option years.

We find no merit to this protest.

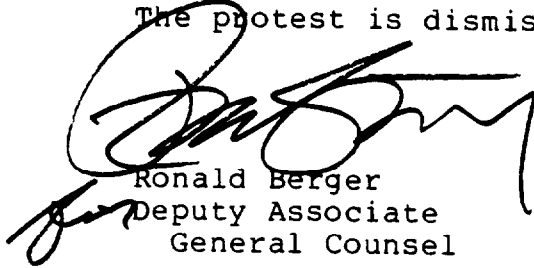
There is a twofold nature to bid unbalancing. First, the bid must be evaluated mathematically to determine whether each item carries its share of the cost of the work specified for that item as well as overhead and profit. If the bid is based on nominal prices for some of the work and enhanced prices for other work, it is mathematically unbalanced. The second part of the test is to evaluate the bid to determine whether award to a bidder that has submitted a mathematically unbalanced bid will result in the lowest overall cost to the government. If award to a party that submits a mathematically unbalanced bid will not result in the lowest overall cost to the government, the bid is materially unbalanced and cannot be accepted. The key to this latter determination is the validity of the government estimate, for it is that estimate upon which bids are evaluated for cost impact. Thus, unless it can be shown that the government estimate is invalid,^{1/} a low evaluated bid cannot be rejected merely because it is mathematically unbalanced. We have found material unbalancing only where it is shown that the government estimates are invalid. See Weather Contractors, Inc., B-217242, July 23, 1985, 85-2 CPD ¶ 71. But see Nebraska Aluminum Castings, Inc., B-222476, June 24, 1986, 86-1 CPD ¶ 582 (concerning grossly overstated

^{1/} The government estimate need only be based on the best available information. There is no requirement that the estimates be absolutely correct.

first article costs which were found to render the bid materially unbalanced per se).

Here, the protester has offered no challenge to the government's estimates included in the solicitation. Its complaint, therefore, is only that Fowler's bid is mathematically unbalanced. It does not follow, however, that the bid is also materially unbalanced.

The protest is dismissed.



Ronald Berger
Deputy Associate
General Counsel